

Washington Horse Racing Commission
Meeting Minutes
June 11, 2009

Meeting convened at 9:30 a.m. Present were: Paul George, Chairman; Jeff Colliton, Commissioner; Bud Hallowell, DVM, Commissioner; Hartly Kruger, Commissioner; Marta DeLeon, Assistant Attorney General; Robert Lopez, Executive Secretary; Patty Sorby, Confidential Secretary.

Item #1. Approval of the meeting minutes of May 14, 2009.

Commissioner Kruger moved to approve the minutes as submitted. Commissioner Hallowell seconded the motion. Unanimously approved.

Item #2. Executive Secretary position.

Chairman George moved to appoint Robert Lopez permanently to the Executive Secretary position. Commissioner Kruger seconded the motion. Unanimously approved.

Item #3. Commissioner's report.

Chairman George said he had been researching the monitoring of wagering systems and had contacted Mr. Joe Gorajec of the Indiana Racing Commission whom he had known for several years and Mr. Gorajec had told him the Indiana board has passed a rule requiring the monitoring of the parimutuel wagering systems. He said the only thing holding back more participation was the cost of implementing a monitoring system and software.

Commissioner Kruger said he attended the races at Waitsburg. He said it was a good meet and the wagering was up from last year, there was a problem with the tote board last year which did not occur this year because a new tote company had been hired.

Commissioner Colliton had nothing to report.

Commissioner Hallowell urged the Commissioners to read the RCI report, it contains a lot of good information the commissioners should be aware of.

Item #4. Emerald Downs' report.

Mr. Ron Crockett, President, NW Racing Associates LP, Emerald Downs, gave the monthly report. Mr. Crockett reported Emerald Downs on track handle was down about 13 percent, satellite wagering down about 18 percent and simulcasting (non-live) down 4 to 5 percent. Mr. Crockett reported for the first 27 days of live racing Emerald Downs is down about 12 percent.

Commissioner Colliton asked Mr. Crockett about the possibility of holding quarter horse qualifying trials at Emerald Downs for the million dollar race. Mr. Crockett said yes he is and is talking with Dick Monahan and is finalizing the details.

Commissioner Kruger asked Mr. Crockett if the industry is aware of the financial circumstances and Mr. Crockett said yes.

Break at 10:50 a.m. Reconvened at 11 a.m.

Item #5. HBPA report.

MaryAnn O'Connell spoke of the annual HBPA meeting that will be held on June 23 and it is also a nominating meeting for the positions of president and board members. She said they are still working to open the daycare center but is having trouble hiring a manager.

Item #6. WTBA report.

Dana Halvorson, President of the WTBA reported on the upcoming sale, there is a strong group of horses, approximately 185-190 for sale. The summer sale is scheduled for September 7th.

Item #7. TVG License renewal.

Robert Lopez, Executive Secretary, reported on the license renewal application investigation that was conducted. He stated nothing was found that would not allow TVG to continue to offer advance deposit wagering in Washington and recommended approval. Ms. Melanie Frank, Counsel, TVG, spoke on behalf of the renewal application. Commissioner Colliton asked again about receiving information about the number of account holder's located Eastern Washington. He had received some information but it was not what he actually was requesting. Ms. Frank said she would check back with the staff and try to get the information specifically on Eastern Washington account holders.

Commissioner Hallowell asked if merging with Betfair meant it would be more difficult to regulate. Ms. Frank said no and even though they have merged with Betfair, TVG would still be conducting business as usual.

Commissioner Kruger moved to approve the license renewal application for TVG. Commissioner Colliton seconded the motion. Unanimously approved.

Item #8. Youbet.com License renewal.

Robert Lopez reported on the license renewal application investigation on Youbet.com and had found nothing pertaining to their license that would not allow them to be relicensed and recommended approval. Mr. Joe Hasson spoke on behalf of Youbet.com and thanked Mr. Lopez for presenting the license renewal and the Commission for the ability to operate in Washington.

Commissioner Colliton asked Mr. Hasson if it was possible to discover how many account holders were in Eastern Washington and Mr. Hasson said it would not be an easy task to track because they only operate through the internet and do not have a television broadcast, but said

they could tell the dollar amount wagered by zip code and would respond if we would send a request in writing to him.

Commissioner Kruger moved to approve the license renewal application for Youbet.com. Commissioner Colliton seconded the motion. Unanimously approved.

Item #9. Equine Health & Safety Report – Dr. Sally Calkins, DVM, Equine Medical Director.

Dr. Sally Calkins presented the 2008 Equine Health & Safety Report to the WHRC Commissioners. She stated the report was originally scheduled for April but it was tabled until the June meeting at the request of Dr. Tucker from Washington State University who wished to be in attendance. Although he was unavailable for this meeting, he would be present in August to report on the Magnetic Resonance Imaging results. Dr. Calkins said the report was placed on the WHRC webpage on April 17th.

Dr. Calkins said the WHRC Rules of Racing require a public report annually to review veterinarian practices, equine health, and medication. Dr. Calkins reported on post-race testing; stewards rulings on medication violations at Emerald Downs and the Class C race meets; postmortem examinations; status at time of fatality and fatalities by month; emerging issues through the National Thoroughbred Racing Association (NTRA) Safety and Integrity Alliance, key recommendations; a “white paper” by the American Association of Equine Practitioners (AAEP), key recommendations; and WHRC staff recommendations.

Commissioner Hollowell asked about lab standardization. Dr. Calkins said there is accreditation standardization for labs, but only four labs had been accredited because it was very expensive to do and using an accredited lab made the cost of sample testing very expensive.

Item #10. Hearing:

a. Ricky Frazier. WHRC 2009-006.

Hearing opened at 11:01 a.m. Present was Gordon Karg, Assistant Attorney General representing staff. Ricky Frazier did not appear. Mr. Karg asked for an order of default.

Commissioner Kruger moved to approve the request for a default order. Commissioner Hollowell seconded the motion. Unanimously approved. Hearing closed at 11:04 a.m.

Item #11. Executive Secretary report.

a. Accountant’s recap May 2008/2009.

Mr. Lopez reported on the accountant’s recap comparison report for May 2008 with May 2009 wagering by month and by wagering year.

b. 2007-2009 Budget – Monthly report.

Mr. Lopez explained the WHRC monthly budget fund balance and comparing projections of revenue and charges with actuals.

Mr. Lopez reported the new webpage was now available.

The WHRC staff was working with Emerald Downs NTRA accreditation.

Mr. Lopez reported that a past executive secretary, long-time WTBA member and supporter, Ed Heinemann had passed away and there would be a memorial on June 29 in Olympia for him.

Item #12. Any other business that may be properly brought before the Commission.

MaryAnn O'Connell said a request from the horsemen was to allow horses to race without shoes and requested the WHRC explore the possibility of repealing the rule requirement for shoes.

Commissioner Colliton asked about the meeting with the Executive Ethics Board (EEB) on Friday. Mr. Lopez said the EEB will be considering the draft of the new policy on WHRC employee's ability to work in the industry after they are laid off from the WHRC.

Meeting adjourned at 11:50 a.m.

Robert J. Lopez, Executive Secretary